

Financial Assistance Component Program

FY 2005 Application Guidance

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Overview and Submission Instructions

CDFI Fund Mission

The mission of the Community Development Financial Institutions Fund (the Fund) is to expand the capacity of financial institutions to provide credit, capital and *Financial Services* to low-income communities and other underserved populations in the United States. It achieves its mission by directly investing and supporting Community Development Financial Institutions (CDFIs), Community Development Entities (CDEs), and other financial institutions through the following four primary programs and initiatives:

1. CDFI Program, which includes *Financial Assistance (FA)* and *Technical Assistance (TA)* Components
2. Bank Enterprise Award Program (BEA)
3. New Markets Tax Credit Program (NMTC)
4. Native American Initiatives

Financial Assistance (FA) Component

The *Financial Assistance* Component provides assistance in the form of grants, loans, equity investments (including, in the case of *Insured Credit Unions*, capital accounts), deposits, insured credit union shares, and *Technical Assistance* grants to certified CDFIs that have *Comprehensive Business Plans* for creating demonstrable community development impact through the deployment of capital within their respective *Target Markets* for community development purposes.

What types of entities can apply for FA?

The FY 2005 *Financial Assistance* Component includes two *Applicant* categories as described in the *Notice of Funding Availability (NOFA)*. *Applicants* will be classified as either Category I or Category II as follows:

Category I – Small and Emerging CDFI Assistance (SECA)

- An *Applicant* that has *Total Assets* as of December 31, 2004 of up to:
 - *Insured Depository Institutions* and *Depository Institution Holding Companies* - \$100 million;
 - *Insured Credit Unions* and *Venture Capital Funds* - \$10 million;
 - Other CDFIs - \$5 million.

OR

- Began operations on or after February 24, 2000.

AND

- Prior to the application deadline for this funding round, has not been selected to receive in excess of \$300,000 in *FA* award(s) in the aggregate from the CDFI Program or Native Initiatives Funding Programs.

A Category I applicant may request an award amount up to and including \$300,000 in *FA* and any amount of *TA*.

Category II – Core and Sustainable CDFI Assistance

- Meets all eligibility requirements described in the *NOFA*.
- Any *Applicant*, regardless of size, years in operations, or prior Fund awards, that requests *FA* funding in excess of \$300,000 in *FA*.

Definitions for terms that are *Italicized* throughout this document can be found in the FY 2005 CDFI Program Glossary on the CDFI Fund website, www.cdfifund.gov.

A Category II *Applicant* may request up to and including \$2 million in *FA* only or a combination of *FA* and *TA*.

What entities are eligible to apply for funding?

CDFI Certification: Each *Applicant* for *Financial Assistance* must be a certified CDFI or submit a complete CDFI certification application no later than January 14, 2005, evidencing that the *Applicant* can be certified as a CDFI. Applications for CDFI certification must be submitted as instructed in the application form, which is available for download from the Fund's website at www.cdfifund.gov. Each *Applicant* that is a certified CDFI as of December 1, 2004, must submit a "Certification of Material Change Form" to the Fund not later than January 14, 2005, in accordance with the instructions on the Fund's website. Failure to submit the form may result in the *Applicant* being determined ineligible for *Financial Assistance*.

Application submitted with Affiliate or Common Enterprise

If an *Applicant* and its *Affiliates* wish to submit award applications, they must do so collectively, in one application; an *Applicant* and its *Affiliates* may not submit separate award applications. If Affiliated entities submit multiple applications, the Fund reserves the right either to reject all such applications received or to select a single application as the only one that will be considered for an award. Please refer to the *NOFA* for further details.

Application under other CDFI Fund Programs

An *Applicant* may receive only one *FA* award through either the *FA* Component or the Native American CDFI Assistance (NACA) Program in the same funding year. An *Applicant* may apply under both the *FA* Component and the NACA Program, but will not be selected for funding under both. A *FA* Component *Applicant*, its *Subsidiaries* or *Affiliates* also may apply for and receive:

- (i) a tax credit allocation through the New Markets Tax Credit (NMTC) Program, but only to the extent that the activities approved for *FA* Component awards are different from those activities for which the *Applicant* receives a NMTC Program allocation;
- (ii) an award through the Bank Enterprise Award (BEA) Program (subject to certain limitations; refer to the Interim Rule at 12 CFR § 1805.102); and
- (iii) an award through the *TA* Component of the CDFI Program or the Native Initiatives Funding Programs, but only to the extent that the activities approved for a *FA* award are different from those for which the *Applicant* receives a *TA* or a Native Initiatives Funding Program award.

Additional Eligibility Considerations for Prior Awardees

Funding Cap: The Fund is generally prohibited from obligating more than \$5 million in assistance, in the aggregate, to any one organization and its *Subsidiaries* and *Affiliates* during any three-year period. For the purposes of this funding round, the period extends back three years from the date that the Fund signs a Notice of Award issued to an *Awardee* under this funding round.

If an *Applicant* proposes to establish a new *Affiliate* to serve an *Investment Area* or *Targeted Population(s)* outside of any state, and outside of any metropolitan area that is currently served by the *Applicant* or its *Affiliate(s)*, it may receive additional assistance greater than the funding cap. To be eligible, the award must meet the following requirements: 1) the request amount will be used to finance activities in the expanded or new *Target Market*; 2) the funds will be distributed to a new *Affiliate*; and 3) the Fund has not received an application and awarded funds

to another *Applicant* to serve this *Target Market*. Please refer to 12 CFR Part 1805.402.

Failure to Meet Reporting Requirements: An *Applicant* will be found **ineligible** if that *Applicant*, or an entity that *Controls* that *Applicant*, is *Controlled* by that *Applicant*, or shares common management officials with that *Applicant* (as determined by the Fund), is a prior Fund *Awardee* or *Allocatee* under any Fund program and is not current on the reporting requirements set forth in any previously executed *Assistance*, *Allocation* or award *Agreement(s)* with the Fund, as of the application deadline for this funding round. Please note that the Fund only acknowledges the receipt of reports that are complete. As such, incomplete reports or reports that are deficient of required elements will not be recognized as having been received. Please refer to the "CDFI Compliance Frequently Asked Questions Document" at http://www.cdfifund.gov/awardees/pdf/cme_FAq.pdf.

TIP: It is imperative that the *Applicant* (or its *Affiliate(s)*) is current on all reporting requirements for each prior *Assistance Agreement*. To check your reporting status, contact the CDFI Fund's Compliance Monitoring Unit by phone at (202) 622-8226, e-mail at gmc@cdfi.treas.gov, fax (202) 622-6453, or by mail at CDFI Fund, 601 13th Street NW, Suite 200-South, Washington, DC 20005. Please refer to the *NOFA* for additional information.

Default or Termination in Default: An *Applicant* will be found ineligible if that *Applicant* is a prior Fund *Awardee* or *Allocatee* (or *Controls*, is *Controlled* by, or shares common management with any prior *Awardee* or *Allocatee*) under any Fund program and if, as of the application deadline of this funding round, the Fund has made a final determination that such *Applicant* is in default of a previously executed *Assistance*, award or *Allocation Agreement(s)* and the Fund has provided written notification of such determination to such *Applicant*. Similarly, an *Applicant* that is a prior Fund *Awardee* or *Allocatee* (or *Controls*, is *Controlled* by, or shares common management with any prior *Awardee* or *Allocatee*) under any Fund program will be ineligible if within the 12-month period prior to the application deadline of this funding round the Fund has made a final determination that such *Applicant's* prior award or allocation terminated in default of the *Assistance*, award or *Allocation Agreement* and the Fund has provided written notification of such determination to such *Applicant*.

Note: If an *Applicant* is a prior *Awardee* or *Allocatee* (or *Controls*, is *Controlled* by, or shares common management with any prior *Awardee* or *Allocatee*) under any Fund program and has submitted complete and timely reports to the Fund that demonstrate noncompliance with a previous *Assistance*, award or *Allocation Agreement*, and the Fund has yet to make a final determination as to whether the entity is in default of its previous *Assistance*, award or *Allocation Agreement*, then the Fund will consider the *Applicant's* application under this funding round pending full resolution, in the sole determination of the Fund, of the instance of noncompliance.

Undisbursed Balances. An *Applicant* will be found **ineligible** if it (or another entity that *Controls* the *Applicant*, is *Controlled* by the *Applicant* or shares common management officials with the *Applicant*) has a balance of undisbursed funds as of the application deadline as follows:

- (i) in the case of prior Bank Enterprise Award (BEA) Program award(s), any balance of award funds equal to or greater than five (5) percent of the total prior BEA Program award(s) for which a BEA award agreement has been fully executed that remains undisbursed more than three (3) years after the end of the calendar year in which the Fund signed an award agreement with the BEA awardee, and
- (ii) in the case of prior CDFI Program or other Fund program award(s), any balance of award funds equal to or greater than five (5) percent of the total prior award(s) for which an *Assistance Agreement* has been fully executed that remains undisbursed more than two (2) years after the end of the calendar year in which the Fund signed

an Assistance Agreement with the Awardee.

Note: "undisbursed funds" does not include (i) tax credit allocation authority allocated through the New Markets Tax Credit Program; (ii) any award funds for which the Fund received a full and complete disbursement request from the Awardee as of the application deadline of this funding round; (iii) any award funds for an award that has been terminated, expired, rescinded or deobligated by the Fund; and (iv) any award funds for an award that does not have a fully executed Assistance or Award Agreement. The Fund strongly encourages Applicants requesting disbursements from prior awards to provide the Fund with a complete disbursement request at least 10 business days prior to the Application deadline.

What must be included in the Application?

MyCDFIFund Signature Page: Applicants are required to have or create a myCDFIFund account, at www.cdfifund.gov, to apply for a Financial Assistance award. The Applicant will need to update, or complete, the Applicant Information section, and submit an original signed copy of this page with its Application. This will be the Applicant's Signature Page.

The Applicant must submit a paper copy of the narrative and all required attachments along with the Signature Page. Additionally, the charts must be provided either electronically through the Applicant's myCDFIFund account, at www.cdfifund.gov, or in paper copy. If an Applicant is unable to submit the charts electronically, it must submit to the Fund a Paper Application Notification Form; the request must be received by the Fund no later than 5 p.m. ET on February 11, 2005. The Paper Application Notification Form may be obtained from the Fund's website at www.cdfifund.gov or the form may be requested by e-mail to paper_request@cdfi.treas.gov or by fax to (202) 622-7754. The completed Paper Application Notification Form should be directed to the Fund's Chief Information Officer and must be sent by fax to (202) 622-7754.

Each Applicant must provide, pursuant to OMB guidance (68 Federal Register 38402), a Dun and Bradstreet Data Universal Numbering System (DUNS) number. In addition, each application must include a valid and current Employer Identification Number (EIN), issued by the Internal Revenue Service and a letter or other documentation from the Internal Revenue Service confirming the Applicant's Employer Identification Number (EIN).

Where Should I Send My Completed Application?

The Fund must receive a completed application, original signed Signature Page and all applicable paper attachments by 5pm ET on February 24, 2005, in order for your application to be considered complete. Electronically submitted charts and attachments must be received by your myCDFIFund account by the same date and time. It is strongly recommended that you expedite sending the paper portions of the application by using a delivery service with tracking capability. The Fund strongly encourages Applicants to send the Application at least two business days before the deadline because some delivery services may not arrive in Parkersburg, WV within one business day. Send the signed, completed Signature Page, narrative, and paper attachments to the following address:

CDFI Fund Grants Management Manager, FA Component
Bureau of Public Debt
200 Third Street, Room 10
Parkersburg, WV 26101.

The telephone number to be used in conjunction with overnight delivery or mailings to this address is (304) 480-5450.

The Fund will not grant exceptions or waivers for late delivery of documents including, but not limited to, late delivery that is caused by third parties such as the United States Postal Service, couriers or overnight delivery services.

Can the Application be Faxed or Sent Via Email?

No. Applications sent by fax or email will not be accepted.

How Many Copies of Applications Should I Submit?

Applicants are required to submit one original and three copies of the application narrative and required attachments to the above address. Paper copies of the charts are not required if submitted electronically. The original should not be placed in a binder and should not include tabs. Each copy should be placed in a three-ring binder, without staples or other forms of binding. Use tabs or colored paper to separate the sections of the application and the required attachments.

What Should My Organization Do First to Complete the Application?

First, read the Notice of Funds Availability (NOFA) that is applicable to the FY 2005 *Financial Assistance* Component Round. Then review the FY 2005 *Financial Assistance* Component Application in its entirety, consulting the "CDFI Program Glossary of Terms," located at www.cdfifund.gov, to understand the Fund's meaning of terms and phrases that are in italics. Consult the Fund's website (www.cdfifund.gov) for additional guidance documents that may be available.

Support and Questions

The Fund's staff are available Monday-Friday, 9:00AM-5:00 PM ET starting the date of the publication of the *NOFA* through February 22, 2005 to assist you with technical and other questions you have regarding the FY 2005 *Financial Assistance* Component Application. The Fund strongly encourages all *Applicants* to first thoroughly read the Guidance; and if you still have questions, please write them down before contacting the Fund. Having all of your questions prepared when you call or e-mail will facilitate the Fund's ability to assist you.

Technical Support (including questions on myCDFIFund, CIMS and uploading electronic charts):

- a) Send e-mail to ithelpdesk@cdfi.treas.gov. A technical support staff person will reply to your question within 24 hours on weekdays.
- b) Phone the CDFI Fund IT Help Line at (202) 622-2455.
- c) If a technical support staff person is not available to immediately assist you, please leave a message and a staff person will return your call within 24 hours on weekdays.
- d) Technical Support staff will not respond to email or phone inquiries received after **5:00 PM, February 22, 2005**.

Programmatic Support (including questions on eligibility requirements, matching funds requirements, and application content):

- a) Send an email to CDFIHELP@cdfi.treas.gov. A program staff person will generally provide a reply to your question within 24 hours on weekdays.
- b) Phone the CDFI Fund at **(202) 622-6355**. If a program staff person is not available to immediately assist you, please leave a message and a staff person will generally return your call within 24 hours on weekdays. This is not a toll-free number.
- c) The Fund strongly encourages *Applicants* to use the above email and telephone number for questions regarding the *FA* application. You can also contact the Fund via fax: (202) 622-7754, or mail: CDFI Fund, 601 13th Street, NW, Suite 200 South, Washington, DC 20005.
- d) Program staff will accept calls and emails regarding programmatic questions until **5:00 PM ET February 22, 2005**.

Grants Management or Compliance Support (including questions on where to submit your application, required IRS documentation, and prior award history):

- a) If you have questions regarding the administrative requirements of the *NOFA*, contact the Fund's Grants Manager via phone at (202) 622-8226, via email at gmc@cdfi.treas.gov, via fax at (202) 622-6453, or by mail at CDFI Fund, 601 13th St. NW, Suite 200 South, Washington, DC 20005.
- b) The Grants Management Unit and the Compliance Monitoring and Evaluation Unit will respond to general reporting, compliance or disbursement questions between the hours of **9:00 am and 5:00 PM ET, through February 22, 2005**. The Fund will not respond to *Applicant's* reporting, compliance or disbursement phone calls or e-mail inquiries that are received after **5:00 PM ET, February 22, 2005** until after the funding application deadline of **February 24, 2005**.

Legal Counsel Support

- a) If you have any questions or matters that you believe require response by the Fund's Office of Legal Counsel, please refer to the document titled, "How to Request a Legal Review," found on the Fund's website at www.cdfifund.gov.

Using myCDFIFund and CIMS

Overview of myCDFIFund

MyCDFIFund is your organization's customized Web portal from which staff or other authorized users can do the following:

- Manage "account" of data relating to the CDFI Fund;
- Review important Fund messages and announcements;
- Access the CDFI Fund Information and Mapping System (CIMS) to designate, test and save targeted geographic areas for Fund applications;
- Obtain the status of applications and disbursements.

Accessing myCDFIFund

Go to the Fund's Internet Home Page (www.cdfifund.gov) and do one of the following:

Click the "Register New User" button if you have not used myCDFIFund or registered before.

1. If you are already a Registered User on myCDFIFund, log in using your e-mail and password. Note that you may also click "Forgot Password?" if you cannot remember your login password or need to change it.
2. If you are completely unfamiliar with myCDFIFund and would like a tutorial to help you navigate, click "Registration Help" (see illustration, below).



3. Once you are logged into myCDFIFund, the system will first prompt you to enter your organization's Employer Identification Number (EIN), and will then search for your e-mail address from the listing of your organization's authorized myCDFIFund users.
4. If you are not registered as one of your organization's authorized users, you will be asked if you wish to ask permission from your organization's myCDFIFund Account Administrator for user permission. If you choose this option, the Fund will send an email to your organization's Account Administrator. The Account Administrator will need to give each user access.
5. If you do not receive a reply from your organization's Account Administrator, there is the possibility that the Account Administrator is either no longer with your organization or is not accessible by e-mail. For assistance in this matter, contact the I.T. Help Desk (202-622-2455 or ITHelpDesk@cdfi.treas.gov). It is the Applicant's responsibility to ensure that the Fund is notified if your myCDFIFund Account Administrator changes.

6. Once you have successfully registered, you will be at your organization's myCDFIFund Home page. There are six (6) navigation tabs (Home, Applications, Manage Account, Mapping, Logout and Help).¹ To access the Mapping function, click the "Mapping" tab.

The CDFI Fund Information and Mapping System (CIMS)

When you reach the Market Need and Community Development Performance Section, you will need to designate, test and save *Hot Zones* and/or *Investment Areas* if you have targeted these geographic areas in the past or intend to target them in the future using *Financial Assistance* award funds. You will do this by accessing CIMS through [myCDFIFund](#).

1. CIMS is a Web-based Geographic Information System (GIS) that enables users to select, test, save and upload geographic areas that meet the CDFI Fund's distress criteria for its individual programs.
2. To access CIMS, simply log on to myCDFIFund as you would normally, and click on the "Mapping" tab. Under the "Mapping" tab, you will see the CIMS Home Page.
3. Follow the instructions on the "CIMS Help" tutorial on the Home Page.
4. If you are a person with visual or mobility impairments that prevent you from reading maps or using the Website, please contact the CDFI Fund Help Desk (202-622-6355 or CDFIHELP@cdfi.treas.gov) and ask for direct assistance from CDFI Fund staff.

¹ If your organization is a previous Fund Awardee, there will be a seventh tab visible (Awards), which will enable your organization to obtain the status of applications and disbursements.

Overview of Components of FA Application

The FY 2005 Financial Assistance Component consists of the following sections, plus the charts and attachments defined on the next page:

- ❑ Applicant Signature Page (completed via myCDFIFund)
- ❑ Legal Documents
- ❑ Matching Funds
- ❑ Technical Assistance Request

Comprehensive Business Plan (CBP)

- ❑ Profile & Executive Summary
- ❑ Market Need and Community Development Performance
 - (I) Market Need
 - (II) Product Design and Implementation Strategy
 - (III) Community Development Performance/Impact
- ❑ Management and Underwriting
 - (I) Portfolio Quality
 - (II) Management Controls
 - (III) Management Team
- ❑ Financial Health and Viability

Required Charts and Attachments

Applicants are required to submit charts and supplemental attachments to successfully complete the FY 2005 *Financial Assistance* Component Application. The following identifies the charts and attachments required for a complete application submission.

Charts

- ❑ **Award Request Summary**
- ❑ **Technical Assistance Request Charts** (only if *Applicant* is applying for *TA*)
 - ❑ **Technical Assistance Request Chart: Consulting Services**
 - ❑ **Technical Assistance Request Chart: Staff Salary**
 - ❑ **Technical Assistance Request Chart: Technology**
 - ❑ **Technical Assistance Request Chart: Training**
 - ❑ **Technical Assistance Request Chart: Other**
 - ❑ **Technical Assistance Request: Staff Expense Calculator** (required if *Applicant* is requesting *TA* for Staff Salary)
- ❑ **Matching Funds Summary Charts**
 - ❑ **Matching Funds Summary Chart: Matching Funds In-Hand**
 - ❑ **Matching Funds Summary Chart: Matching Funds Firmly Committed**
 - ❑ **Matching Funds Summary Chart: Matching Funds to be raised**
- ❑ **Matching Funds Summary Chart for Retained Earnings** (required only for *Applicants* using *Retained Earnings* as *Matching Funds*)

There is a different chart for each type of organization:

 - **Insured Credit Unions**
 - **Non-Regulated CDFIs: Non-Profits**
 - **Non-Regulated and Regulated CDFIs: For-Profits**
- ❑ **Activities Level Chart**
- ❑ **Community Development Impact Chart**
- ❑ **Loan Portfolio Quality Chart** (as applicable)
 - ❑ **Loan Portfolio Quality Chart Affordable Housing-First Lien**
 - ❑ **Loan Portfolio Quality Chart Affordable Housing-Subordinate Lien**
 - ❑ **Loan Portfolio Quality Chart Business (includes Commercial Real Estate and Community Facilities)**
 - ❑ **Loan Portfolio Quality Chart Microenterprise and Consumer Loans**
 - ❑ **Loan Portfolio Quality Chart Insured Credit Unions**
 - ❑ **Loan Portfolio Quality Chart Insured Depository Institutions and Depository Institution Holding Companies**
- ❑ **Equity Investment Portfolio Valuation Chart (as applicable)**
- ❑ **Management Chart**
- ❑ **Financial Data Input Charts**

There is a different **Financial Data Input Chart** for each type of organization:

- **Non-Regulated CDFIs: Non-Profits**
- **Non-Regulated CDFIs: For-Profits**
- **Insured Credit Unions**
- **Insured Depository Institutions and Depository Institution Holding Companies**

Required Attachments

- ☐ Signature Page (from myCDFIFund)
- ☐ Letter or other documentation from the Internal Revenue Service confirming the *Applicant's* Employer Identification Number
- ☐ *Matching Funds* Documentation
- ☐ Audited or reviewed *Financial Statements* from the last three completed fiscal years (or as many years as are available if the *Applicant* has been in operation for less than three years)
- ☐ If the *Applicant* seeks to apply under Category I/SECA and its fiscal year ends other than on 12/31, a copy of the *Applicant's* internally generated balance sheet for the period ending 12/31/04 is required to determine the correct *Applicant* Category.
- ☐ Organization Chart
- ☐ List of *Governing Board* members and any working committees
- ☐ Resumes of key staff persons, and members of the *Governing Board's* executive committee, loan/investment committee, and audit committee

Applicant Signature Page (Complete via myCDFIFund account)

Note: *Applicants* are required to log-in, or register to create an account, in myCDFIFund to apply for a Financial Assistance award. The *Applicant* will need to update, or complete, the Applicant Information section, and submit a signed copy of this page with its FY 2005 Financial Assistance Component Application. The following questions will be answered in myCDFIFund.

This section is not scored; however, it must be completed.

Organization Profile

Information is required for all Applicants unless otherwise specified.

1. **Organization Name**
2. **Organization EIN:** Each application must include a unique, valid and current Employer Identification Number, issued by the Internal Revenue Service and a letter or other documentation from the Internal Revenue Service confirming the *Applicant's* Employer Identification Number.
3. **Congressional District**
4. **Dun and Bradstreet Number:** To get a Dun and Bradstreet (DUNS) number, go to www.dnb.com/us.
5. **Financial Institution Type:** Check the option that best fits the *majority* of your organization's activities. If you are a CDFI Intermediary, select the option that best fits your organization's activities; that is, if you are an intermediary that primarily provides loans to other CDFIs, then you would select Loan Fund.
 - a. *Insured Depository Institution; Depository Institution Holding Company*
 - b. *Insured Credit Union (includes State Insured Credit Unions)*
 - c. *Loan Fund*
 - d. *Venture Capital Fund*
 - e. *Loan Purchaser*
 - f. *Loan Guarantor*
6. **Organization Structure:** Enter the type of entity that best describes the *Applicant*.
 - a. For-Profit
 - b. Non-Profit
 - c. Non-Profit Tax Exempt Status (if applicable)
 - i. 501(c)(3)
 - ii. 501(c)(4)
 - iii. Credit Union
 - iv. Other (specify)
7. **Incorporation Date:** Enter month/day/year.
8. **First Year Activities:** Enter year *Applicant* began incurring expenses.
9. **Fiscal Year End:** Enter month and day of the *Applicant's* fiscal year end (i.e., 12/31).

10. **Charter Number**: Enter for *Regulated* CDFIs only.
11. **FDIC Certification Number**: Enter number for *Insured Depository Institutions*.
12. **Faith Based**: Answer the questions if the *Applicant* is a faith-based institution and/or provides financing to faith-based institutions.

Mailing Address

13. Physical address
14. Over-night/shipping address

Application Data

15. **Application Type**: *Applicant* will indicate *Financial Assistance*
16. **Total Request**: Includes total *Financial Assistance Application* request for *Financial Assistance*, or *Financial Assistance and Technical Assistance*
17. **Authorized Representative**: Person that *Applicant's Governing Board* selects to sign the application and *Assistance Agreement* on behalf of the *Applicant*.
- a. Title
 - b. Phone
 - c. Fax
 - d. Email
18. **Contact Persons**: Person that the *Applicant's* chief executive officer has authorized to respond to questions and provide documentation on behalf of the *Applicant*. The *Applicant* may want to designate someone other than the Authorized Representative if the Authorized Representative is not available to respond to questions about the application.
- a. Title
 - b. Phone
 - c. Fax
 - d. Email
19. **Applicant's Geographic Market(s)**: Check all that apply
- a. Major urban (population more than 1 million)
 - b. Minor urban (population 1 million or less)
 - c. Rural
20. **Primary Market**: Of the markets selected above, check the one geographic market in which the *Applicant* primarily offers its *Financial Products and Financial Services*.
21. **Targeted Area(s)**: Check those areas that make up at least 10 percent of your activities. Check all that apply:
- a. Appalachia
 - b. Colonias
 - c. *Hot Zones*
 - d. Mississippi Delta
22. **State Jurisdictions Served in Prior Year**: Check all states and U.S. territories in which the *Applicant* plans to use the *FA* requested.

Affiliate(s)

23. Name and EIN of all Affiliates: Indicate the number of *Affiliates* the *Applicant* has, if any. Provide the name of the *Affiliate* (s) and the Employer Identification Number(s) (EIN), along with any additional requested information, in the spaces provided.

Legal Documents

Note: All *Applicants* are required to complete The Environmental Review form and Assurances and Certifications form.

1. **Environmental Review:** Federal regulations require that you answer all of the questions in this section. Select Yes or No for each question and follow the instructions on the form for saving your responses and providing narrative explanations. **(Required for all *Applicants*)**
2. **Assurances and Certifications:** *Applicants* may not modify or change any text. The signature of the Authorized Representative signifies that the *Applicant* agrees to abide by the conditions and requirements set forth in this section. **(Required for all *Applicants*)**
3. **501(C)(4) Questionnaire:** If the *Applicant* has tax-exempt status under 501(c)(4) of the Internal Revenue Code, respond to all questions by selecting Yes or No. Before answering the questions, read the instructions as well as all the definitions that appear below the Questionnaire. **(Only required for 501(c)(4) *Applicants*)**

Matching Funds

Matching Funds are required for all *Financial Assistance* awards. In accordance with the NOFA, the Fund will not consider for *FA* funding any *Applicant* that does not demonstrate any *Matching Funds In-Hand* or *Firmly Committed* as of the *Application* deadline. *Matching Funds* are not required for *Technical Assistance* grants.

Matching Funds Window: *Matching Funds In-Hand* (received), or *Firmly Committed*, on or after January 1, 2003, and on or before April 30, 2006, will be considered when determining *Matching Funds* eligibility.

Applicants that do not obtain the matching funds projected: The Fund reserves the right to: 1) rescind all or a portion of a *FA* award and re-allocate the rescinded award amount to other qualified *Applicant(s)* if an *Applicant* fails to obtain the required *Matching Funds In-Hand* by April 30, 2006 (with documentation of such receipt to be received by the CDFI Fund not later than May 12, 2006); or 2) to grant an extension of such *Matching Funds* deadline for specific *Applicants*, if the Fund deems it appropriate.

Comparable Form: *Matching Funds* must be at least comparable in form and value to the *FA* provided by the Fund. For example, if an *Applicant* seeks a *FA* grant from the Fund, the *Applicant* must obtain *Matching Funds* through grants from non-Federal sources that are at least equal to the amount requested from the Fund. For loans or *Deposits*, the terms will be matched by the Fund to the extent possible and in the sole discretion of the Fund. Thus, if a 10-year loan at 2% interest, with interest only payments is requested from the Fund, the *Applicant* must match the request with a loan with the same terms. If several loans with different terms and rates are used as *Matching Funds* for a loan, the Fund will calculate a blended term and rate of the loan portion of the Fund's *FA* award.

Non-Federal Source: *Matching Funds* must come from sources other than the Federal government and, regardless of the source, consist of non-Federal funds. Community Development Block Grant Program and other funds provided pursuant to the Housing and Community Development Act of 1974, as amended, are considered Federal government funds and cannot be used to meet the *Matching Funds* requirements.

Previously Used Matching Funds: Funds used by an *Applicant* as *Matching Funds* for a prior award under the CDFI Program or under another Federal grant or award program cannot be used to satisfy the *Matching Funds* requirement for this *FA* request. If an *Applicant* seeks to use as *Matching Funds* monies received from an organization that was a prior awardee under the CDFI Program, the Fund will deem such funds to be Federal funds, unless the funding entity establishes, to the reasonable satisfaction of the Fund, that such funds do not consist, in whole or in part, of CDFI Program funds or other Federal funds. An *Applicant* using *Matching Funds* from an *Affiliate* entity must be able to demonstrate that the *Affiliate* entity received the same amount from an eligible, non-*Affiliate* source within the eligible *Matching Funds* window, described above.

Category I Applicants: Category I *Applicants* are required to have 30% of *Matching Funds In-Hand* and/or *Firmly Committed* by application submission. Category I

Applicants that demonstrate less than 100% of *Matching Funds In-Hand* or *Firmly Committed* must submit a narrative detailing its strategy to raise the remaining *Matching Funds* by April 30, 2006. The Fund will evaluate the strategy for achievability.

Category II Applicants: Category II *Applicants* are required to have 100% of *Matching Funds In-Hand* and/or *Firmly Committed* as of application submission. Award amounts will not exceed *Matching Funds* demonstrated in the *Application*.

Matching Funds Summary Chart

The **Matching Funds Summary Chart** is designed to capture information, as of the submission date of the *Application*, on *Matching Funds In-Hand*, *Firmly Committed*, and to be raised. Before completing the chart, it is highly recommended that the *Applicant*:

- 1) Use a blank copy of the chart (it will help you gather the appropriate *Matching Funds* documentation before you begin recording data);
- 2) Review *Matching Funds* guidance; and
- 3) Gather *Matching Funds* documents.

All *Applicants* must complete the *Matching Funds- In Hand* and *Matching Funds Firmly Committed* sections of the chart. Only Category I/SECA *Applicants* may complete the *Matching Funds To Be Raised* section of the chart. If the *Matching Funds* are from a state and/or local government, *Applicants* are required to provide the contact name, title, and phone number of the *Matching Funds* source. If the *Applicant* wants to discuss any additional comments relevant to the *Matching Funds*, complete the "Comments" column. If the *Applicant* is proposing *Retained Earnings* as *Matching Funds*, list *Retained Earnings* as the source of the funds, and complete the applicable *Retained Earnings* Chart.

Documents Applicants needed to submit.

Note: If the *Applicant* has a large number of *Matching Funds* documents, please separate the *Matching Funds* attachments with either tabs or colored paper, and number each page.

Matching Funds In-Hand: For each source of *Matching Funds In-Hand*, provide copies of executed documentation evidencing (i) the form of *Matching Funds* and (ii) that the *Matching Funds* were disbursed. Acceptable documentation for proof of form of *Matching Funds* includes: 1) a promissory note; 2) loan agreement; 3) grant letter; 4) partnership agreement; or 5) other document that clearly states the form of the *Matching Funds*. Acceptable evidence of disbursement documentation includes: 1) a check; 2) wire transfer; or 3) other disbursement document.

Matching Funds Firmly Committed: For each source of *Matching Funds Firmly Committed*, provide written documentation evidencing that the *Applicant* has entered into or received a legally binding commitment from the *Matching Funds* source that the *Matching Funds* have been committed, and are to be disbursed to the *Applicant* (such as a loan agreement, promissory note, or grant agreement). *Matching Funds Firmly Committed* documents must be in writing, signed and dated by the funder, indicate that the *Matching Funds* are for the *Applicant*, correspond in form to the *FA* requested (i.e., grant for grant, loan for loan), and provide a date by which the *Matching Funds* will be disbursed to the *Applicant*. All commitments must indicate that *Matching Funds* are to be disbursed by April 30, 2006. Commitments may be made contingent on receipt of funding from the Fund, and other contingencies deemed reasonable by the Fund, in its sole discretion.

Category 1/SECA Applicants only: **Submit** letters of interest from potential funders or any documentation that demonstrates the likelihood of raising *Matching Funds* by April 30, 2006.

Small Contributions: If you have more than five small contributions (under \$1,000) that you would like to use as *Matching Funds*, create a list with the name and amount of each donor/contributor. In the **Matching Funds Summary Chart**, record the total sum of these small contributions as a single entry. For column Source of *Matching Funds*, indicate "Small Contributions," and for the column, Source Type, enter "Individuals." **Submit** the list and copies of disbursement documents (checks, cover letters and pledge forms). At a minimum, the Fund will need a copy of the check from each individual(s) to find the funds eligible.

Documentation needed for each form of Matching Funds.

Grant: grant transmittal letters; grant agreements; a letter from the match source indicating the grant amount and the purpose of the grant. Signed copy required.

Loan: promissory notes, loan agreements, etc. Signed copy required.

Equity Investment: stock certificates, subscription agreements and private placement memoranda. Signed copy required.

Deposit/Shares: certificates of deposit or share certificates

Secondary Capital: secondary capital agreement and the Disclosure and Acknowledgement Statement. Signed copy required.

Using Retained Earnings to satisfy Matching Funds requirement.

An *Applicant* can satisfy all or a portion of the *Matching Funds* requirement for a grant or equity investment by committing available earnings retained from its operations, as shown in its financial statements. *Retained Earnings* accumulated after the end of the *Applicant's* (other than *Insured Credit Unions*) most recently completed fiscal year may not be used as *Matching Funds*. Thus, for *Applicants* with a fiscal year ending December 31, *Retained Earnings* for the fiscal year ending December 31, 2004 must be used for a 2005 FA award.

Note: If using *Retained Earnings* as *Matching Funds*, the *Applicant* must complete the **Retained Earnings Chart** appropriate for its organization type based on the following information.

For-profit CDFIs may use *Retained Earnings* for matching an equity investment if such *Retained Earnings* consist of: the increase in *Retained Earnings* (excluding the after-tax value to an *Applicant* of any grants and other donated assets) that has occurred over the *Applicant's* most recently completed fiscal year; or the annual average of such increases that have occurred over the *Applicant's* three most recently completed fiscal years. In order to use *Retained Earnings* as *Matching Funds*, the *Applicant* is required to complete the **Matching Funds Summary Chart for Retained Earnings: For Profit**

Only Chart, using its unconsolidated audited *Financial Statements*. The Fund will verify amounts documented in the table using the unconsolidated audited *Financial Statements*.

Non-profit CDFIs (other than Insured Credit Unions) may use *Retained Earnings* for matching a grant if such *Retained Earnings* consist of: 1) the increase in an *Applicant's Net Assets* (excluding the amount of any grants and value of other donated assets) that has occurred over the *Applicant's* most recently completed fiscal year; or 2) the annual average of such increases that has occurred over the *Applicant's* three most recently completed fiscal years. In order to use *Retained Earnings* as *Matching Funds*, the *Applicant* is required to complete the **Matching Funds Summary Chart for Retained Earnings: Non-Profit Only Chart**.

Insured Credit Unions (including State-Insured Credit Unions) may use *Retained Earnings* for *Matching Funds* purposes for a grant in an amount equal to:

1. The increase in *Retained Earnings* that has occurred over the *Applicant's* most recently completed fiscal year. Net Capital comprises "Regular Reserves", "Other Reserves" (excluding reserves specifically dedicated for losses), and "Undivided Earnings" as such terms are used in the National Credit Union Administration's accounting manual; or
2. The annual average of increases in *Retained Earnings* that have occurred over the *Applicant's* three most recently completed fiscal years; or
3. The entire *Retained Earnings* that have been accumulated since the inception of the *Applicant*. If the *Applicant* chooses this option, it must increase its **Total Member and/or Non-Member Shares** by an amount that is at least equal to the amount of *Retained Earnings* that is committed as *Matching Funds*. For example, if the *Applicant* matches a \$100,000 grant with \$100,000 in *Retained Earnings* under this option, it must raise **Total Member/Non-Member Shares** by \$100,000 in order to receive a disbursement for the award. This increase in *Shares* must be achieved by April 30, 2006. The baseline level of **Total Member/Non-Member Shares** will be measured as of June 30, 2005; or
4. The entire *Retained Earnings* that has been accumulated since the inception of the *Applicant*. If the *Applicant* chooses this option, it must increase its **Total Loans** by an amount that is at least equal to the amount of *Retained Earnings* that is committed as *Matching Funds*. For example, if the *Applicant* matches a \$100,000 grant with \$100,000 in *Retained Earnings* under this option, it must raise **Total Loans** by \$100,000 in order to receive a disbursement for the award. This increase in loans must be achieved by April 30, 2006. The baseline level of **Total Loans** will be measured as of June 30, 2005.

In order to use *Retained Earnings* as *Matching Funds* for option 1 or 2 above, the *Applicant* must complete the **Retained Earnings- Insured Credit Unions Chart** Part A using its NCUA 5300 Call Report.

If using option 3, complete the chart and include a narrative explaining the *Applicant's* methodology for increasing its member and non-member *Shares*.

If using option 4, complete the chart and complete the narrative explaining the *Applicant's* methodology for increasing its total loans. The Fund will verify the

amounts documented in Part A of the chart using the *Applicant's* NCUA 5300 Call Report. If the *Applicant* is chosen to receive an award, the Fund will confirm the projected increase in total member and/or non-member *Shares* and total loans using the *Applicant's* NCUA 5300 Call Report for that fiscal year.

Additional Guidance on Matching Funds: Please consult the Fund's website (www.cdfifund.gov) for additional guidance on *Matching Funds* eligibility or contact the Fund's Program staff.

Award Request Summary

The *Applicant* must complete the **Award Request Summary Chart**, which summarizes the amount and form of the award request. The *Applicant* should complete the **Matching Funds Chart** prior to completing the **Award Request Summary Chart** and make sure award requests comply with *Matching Funds* requirements. Category I/SECA *Applicants* must demonstrate that they have at least 30 percent of the total FA request as *Matching Funds In-Hand* and/or *Matching Funds Firmly Committed*. Category II *Applicants* must demonstrate 100 percent of *Matching Funds In-Hand* and/or *Matching Funds Firmly Committed*.

Note: The Fund will not award an amount greater than what the *Applicant* has in *Matching Funds In-Hand, Firmly Committed*, and to be raised (Category I/SECA *Applicants* only) at the time of *Application* submission.

The form of the award requested is determined by the type of *Matching Funds* the *Applicant* has available.

Example: A CDFI with \$1,000,000 of *Matching Funds In-Hand* and *Firmly Committed*, of which \$500,000 is in the form of grant and \$500,000 is in the form of loan, may request no more than \$500,000 in grant and \$500,000 in loan.

Loans: If the *Applicant* is requesting FA in the form of a loan (including an *Equity-like Loan*), document the interest rate, payment schedule and term of the award. The interest rate, payment schedule and term of the Fund's award will be based on that of the *Matching Funds* source(s) to the extent possible and the sole discretion of the Fund.

Deposits/Shares & Secondary Capital: If the *Applicant* is using more than one deposit or share account as *Matching Funds*, estimate the term and rate for the Fund's award. The Fund will determine the number of *Deposits* it is able to match, and the term and rate of the award. This determination will be communicated to *Applicants* chosen for a Phase II Review (refer to NOFA). The same applies to *Applicants* using *Secondary Capital* as *Matching Funds*.

Technical Assistance Request

NOTE: *Technical Assistance* is used to build the internal capacity of the *Applicant*. Eligible uses of *Technical Assistance* include the cost of acquiring consulting services; paying staff salary for limited purposes; the acquisition of technology; staff, management, and/or *Governing Board* training; and other activities. *Technical Assistance* awards cannot be used for costs deemed to be ongoing operating expenses, including staff salaries, rent, interest on borrowed money, and printing costs. *Technical Assistance* awards may not be used to assist an *Applicant* in preparing an application for funding from the CDFI Fund or for any other fundraising activities.

Questions for the Technical Assistance Request Section

- o Question 2

Charts for the Technical Assistance Request Section

- o Technical Assistance Request Chart: Consulting Services
- o Technical Assistance Request Chart: Staff Salary
- o Technical Assistance Request Chart: Technology
- o Technical Assistance Request Chart: Training
- o Technical Assistance Request Chart: Other
- o Technical Assistance Request: Staff Expense Calculator (only if *Applicant* is requesting TA for Staff Salary)

Eligible Uses of TA:

- o Acquisition of technology
- o Training
- o Consulting services
- o Staff salary for non-recurring expenses
- o Other

The activities to be funded with TA are to provide capacity enhancements including, but not limited to, improvement of underwriting and portfolio management, development of outreach and training strategies to enhance product delivery, and development of tools that allow the *Applicant* to assess the impact of its activities in its *Target Market(s)*.

To request TA, the *Applicant* needs to complete the Technical Assistance Request Chart and, if applicable, Technical Assistance Request: Staff Salary Calculator. The *Applicant* must then provide a narrative in the *Application: TA Request* section. The narrative should explain how the TA would improve the *Applicant's* capacity to serve its *Target Market(s)*.

Note: *Applicants*, particularly Category I/SECA *Applicants* that have shortcomings in their *Comprehensive Business Plan*, should consider requesting TA to enhance capacity in that area. All *Applicants* can request TA to enhance their ability to carry out their proposed activities. *Applicants* should provide narrative regarding the requested TA under the relevant section of the *Application* addressing how the TA will be used to strengthen any weaknesses or enhance capacity.

Market Need and Community Development Performance Section

Purpose: The Market Need and Community Development Performance section evaluates the *Applicant's* understanding of its market context and its current and projected customers; the extent of economic distress within the designated *Investment Area(s)*, including distress caused by severe natural disasters, or the extent of need within the designated *Targeted Population(s)*; the extent of need for *Equity Investments*, loans, or *Development Services* or *Financial Services* within the designated *Target Market*; and the extent of demand within the *Target Market* for the *Applicant's* products and services. The Fund will evaluate the *Applicant's* products and services, marketing and outreach efforts, and delivery strategy, including its track record and the extent to which the *Applicant* will provide products that meet key community development needs, and the nature of coordination with other community development participants. Finally, the Fund will consider the *Applicant's* track record and likelihood of meeting its projections for community development impact; the extent to which the proposed activities will serve its *Target Market(s)*; the need for and likely effectiveness of the proposed use of Fund dollars; and the *Applicant's* use of prior Fund awards, if applicable.

Questions for the Market Need and Community Development Performance Section

- o Questions 5-28

Charts for the Market Need and Community Development Performance Section

- o Activities Level Chart
- o Community Development Impact Chart

Attachments for the Market Need and Community Development Performance Section

- o Community Partner Agreement, if applicable

Overview of Target Markets

Applicants are required to designate the *Target Market(s)* it intends to serve with the *Financial Assistance* request. The following is an overview of the types of *Target Markets*:

Target Market	Definition
Hot Zone	A subset of <i>Investment Areas</i> that are acutely economically distressed. Economic Development <i>Hot Zones</i> have high unemployment and poverty rates, and low median family incomes. Housing <i>Hot Zones</i> have high housing cost burdens and poverty rates, and low median family incomes. Combination <i>Hot Zones</i> are those <i>Hot Zones</i> that meet both the Economic Development and the Housing Hot Zone criteria. Please refer to the Fund's website, www.cdfifund.gov , for more information.
Severely Distressed Non-Metropolitan Area	<i>Investment Areas</i> that do not qualify as <i>Hot Zones</i> but have other indicators of severe economic distress, and a need and demand for <i>Financial Products</i> and <i>Financial Services</i> .
Investment Area	A geographic area that: <ul style="list-style-type: none"> o Meets at least one of the criteria of economic distress as defined under 12 CFR §1805.201(b)(3), which have: o Poverty rate of 20% or more; o Median family income of 80% or less of the Metropolitan or non-Metropolitan Median; o Unemployment rate at least 1.5 times the national average;

	<ul style="list-style-type: none"> o Non-Metropolitan county population loss of 10 percent or more (1990 to 2000); or o Non-Metropolitan county net migration loss (1995 to 2000) of 5% or more; or o Encompasses or is located wholly within an Empowerment Zone or Enterprise Community. In order to determine if your organization serves an Empowerment Zone or Enterprise Community, go to the U.S. Department of Housing and Urban Development EZ/EC Locator website (http://www.hud.gov/crlocator). o See 12 CFR §1805.201 for the complete definition.
Low-Income Targeted Population	<p>Individuals with an income, adjusted for family size, of not more than:</p> <ul style="list-style-type: none"> o For Metropolitan Areas, 80% of the area median family income; and o For non-Metropolitan Areas, 80% of the statewide non-Metropolitan Area median family income.
Other Targeted Population	<p>An identifiable group of individuals in the <i>Applicant's</i> service area for which there exists strong evidence that they lack access to loan, <i>Equity Investments</i> and/or <i>Financial Services</i>. The Fund has determined that the following groups lack access to the aforementioned on a national level:</p> <ul style="list-style-type: none"> o Blacks or African Americans o Hispanics or Latinos o Native Americans or American Indians o Alaska Natives residing in Alaska o Native Hawaiians residing in Hawaii o Other Pacific Islanders residing in other Pacific Islands <p>If the <i>Applicant</i> is designating a group not included above, it must identify the group, and provide evidence of its lack of access to loans, <i>Equity Investments</i>, and/or <i>Financial Services</i> in the Market Need section of the Application.</p>

Designating a geographic Target Market

If the *Applicant* has targeted or proposes to target geographic areas that qualify as *Hot Zones* or *Investment Areas* (including severely distressed non-Metropolitan Areas), the *Applicant* must designate, test and save *Hot Zones* and/or *Investment Areas* information using the CDFI Fund Information and Mapping System (CIMS) accessed through [myCDFIFund](#). By saving the *Hot Zone* or *Investment Area* information, the *Applicant* is including an electronic file to myCDFIFund, which will assist the Fund with the review of funding applications, program compliance, and for research and analysis of awardees. To access CIMS, simply log on to myCDFIFund as you would normally, and click on the "Mapping" tab. Under the "Mapping" tab, you will see the CIMS Home Page. Follow the instructions on the "CIMS Help" tutorial on the CIMS Home Page.

Activities Level Chart

All *Applicants* must complete the **Activities Level Chart**. Only identify those products for which the *Applicant* is requesting *Financial Assistance*. Choose a product from the drop-down menu in column B. The products include the following:

- o *Affordable Housing Permanent Loans*
 - o A mortgage loan usually has a 15-, 20- or 30-year term, the proceeds of which are used to repay a construction loan or bridge loan.
- o *Affordable Housing Short Term Loans*
 - o All non-permanent loans, such as acquisition, pre-development, construction, rehab, bridge, or interim loans.

- o *Business Loans* to For-Profits
- o *Business Loans* to Non-Profits
- o Checking/Draft Accounts
- o *Commercial Real Estate Loans*
 - o An origination of a loan (other than an *Affordable Housing Loan*) that is secured by real estate and used to finance the acquisition, rehabilitation, construction, and/or development of property used for commercial purposes.
- o *Community Facilities*
 - o Loans for the acquisition, construction or rehabilitation of buildings used for health care, childcare, educational, cultural, or social services
- o *Consumer Loans*
 - o Personal (secured and unsecured) loans to one or more individuals for health, education, emergency, credit repair, debt consolidation, and consumer purposes.
- o *Equity Investments*
 - o Investments may include a stock purchase, a purchase of a partnership interest, a purchase of a limited liability company membership interest, a loan made on such terms that it has sufficient characteristics of equity.
- o Homeownership First Mortgages/Liens
- o Home Equity
- o Microloans
 - o Loans or investments of up to \$35,000 to a business with five or fewer employees.
- o Savings/Share Accounts
- o Homeownership Subordinate Mortgages/Lien
- o Other

Note: *Insured Credit Unions and Insured Depository Institutions* should not report on credit card loans in the Activities Level Chart.

For each product, provide historic levels of activity for the three most recently completed fiscal years, and three-year projections corresponding to activity identified in the *Comprehensive Business Plan*. Indicate the percentage of the total dollar volume of activity that has and will benefit the total *Target Market*. **All activity must be mutually exclusive; do not double count the percentages (i.e., if you make a business loan to an African American in a Hot Zone, you can only count the activity as either Hot Zone or OTP-African American).** The sum of the percentage of specific *Target Market* activity must be less than or equal to the percentage of total *Target Market* activity.

Community Development Impact Chart

All *Applicants* must complete the **Community Development Impact Chart**. Based on the activities for which the *Applicant* is requesting *Financial Assistance*, choose a community development impact that corresponds to its *Financial Product(s) and/Financial Services* (select an impact from the drop-down menu in column B). The community development impact indicators include:

- o Percent increase in annual gross sales
- o Community facilities: square feet acquired/rehabbed/developed
- o *Commercial Real Estate* (CRE): square feet acquired/rehabbed/developed
- o First time account holders
- o First time homeowners
- o Home equity loans: homes rehabbed
- o Homeowners created (other than first time homeowners)
- o Individuals assisted with emergency loans

- o Jobs created or retained
- o Rental units developed or rehabbed
- o Single family units developed or rehabbed

For each indicator, provide historic levels of activity as of the current year-end, and three-year projections corresponding to activity identified in the *Comprehensive Business Plan*. Indicate the percentage of activity to the *Target Market*, and if applicable the *Hot Zone(s)*. If the *Applicant* selected an "Other" impact, provide a description of the impact in question 19.

Market Need (Questions 5-8)

This section requires the *Applicant* to provide an analysis of the market it proposes to serve with the *FA* award in the next three fiscal years. Whether you designate a *Target Market* comprised of *Investment Areas* and/or *Target Populations*, the market analysis must discuss the people or businesses to whom the products and services are targeted and the service area from which such people are drawn. While every CDFI's *Target Market* differs, *Applicants* must demonstrate that there is both need and demand for the *Applicant's Financial Products* and/or *Financial Services*. *CDFI Intermediaries* should discuss how their *Financial Products* and/or *Financial Services* would impact both the end beneficiaries of the CDFIs they serve as well as the need and demand of the CDFIs served.

Illustrating need and demand for an Applicant's products and services, Competition (Question 5): To illustrate market need, you may discuss:

- o Cost/Availability of *Financial Products* and/or *Financial Services* for the general market compared to the *Target Market*, discussing affordability of cost differentials. The *Applicant* may discuss the availability of services from both traditional financial institutions (mainstream banks, thrifts or credit unions) and alternative sources—such as non-regulated finance companies.

Example: ABC CDFI provides down-payment assistance to *Low-Income* individuals. In 2003, the median single-family home price in the state reached \$135,000, up 40% from 1997, when the median price was just over \$96,000. In order to purchase a median priced home, a household would need an income of \$53,279 - 13% higher than the State's 2003 median household income of \$46,800. According to the State Housing Awareness Coalition, the state's owner-occupancy vacancy rate shows a very tight housing market, with a 0.9% vacancy rate. Our loans to affordable housing developers will increase the supply of affordable homes for *Low-Income* people in our service area.

- o Demographic information and population trends—Discuss demographic data to illustrate the market segment you are serving such as family size, race/ethnicity, household income, language barriers, etc, and how this information relates to your market's ability to access affordable *Financial Products* and services. If your product is focused on a particular segment of the population, is this segment increasing/decreasing in your area (e.g., city) compared to the general area (e.g., metropolitan area)?

Example – ABC CDFI provides *Microenterprise Loans* to *Low-Income* individuals. According to the State Department of Employment and Training, in 2001, 42% of jobs in the state paid less than \$11.82/hour (2001 livable wage for a single person with no children). In 2001, only 16% of all state jobs paid a livable wage (\$21.28/hour) to meet the needs of a family of four with one parent working, leaving few families the option to have one parent at home to raise their children. If both parents worked outside of the home each would need to earn an average of \$13.36/hour to support their family. Unfortunately only 39% of all state jobs pay this much, forcing many families to do without basic necessities, live in substandard housing, utilize expensive credit options, and to rely on social service programs for economic security.

These factors leave many individuals interested in starting microenterprises as a way of supplementing their household income.

Demonstrating demand for products and services: An *Applicant* may estimate the size of the market, but you will need to explain how you arrived at that estimate. You may use numbers based on a market analysis prepared by a third party or the *Applicant*, surveys, focus groups, and/or research data from government, industry groups, university, or similar types of organizations. Please make sure you cite the data source(s).

Example: The demand for affordable housing opportunities in the state is certain to increase in the coming years. According to the 2003 report issued by State Housing Finance Agency, the state gained almost 30,000 households during the 1990s but added only 23,000 new housing units, with 65% of the single-family homes being built as high-end homes. Nearly half of the population growth in the 1990s took place in the West and Central Counties with an increase in population of 15,500 between 1994 and 2003.

Competition: The *Applicant* should discuss the other entities that provide similar *Financial Products* and/or *Financial Services* to its *Target Market*. Be sure to elaborate on how the *Applicant's Financial Products* and/or *Financial Services* are similar and different. Be sure to address why the *Applicant* should be funded even if there are other entities providing similar products to its *Target Market*.

Financial Assistance to Expand Target Market (Question 6): The *Applicant* may request *FA* to expand its *Target Market*. *Target Market* expansion includes serving a *Target Market* not served by the *Applicant* in the last three fiscal years and/or served for less than one complete fiscal year as of application submission. The *Applicant* must provide a narrative explaining why it decided to expand its *Target Market*; how the *Applicant* determined a need and demand to substantiate its *Target Market* expansion; and if it will offer different products and services to the expanded *Target Market*. Provide a narrative in question 3 of the Application. An *Applicant* that is planning to expand its *Target Market* (whether it is a new geographic area and/or *Targeted Population*) should clearly articulate that the market lacks adequate access to loans, *Equity Investments*, *Financial Services*, and/or *Development Services*, and that the *Applicant* is uniquely positioned to provide such products and services.

Financial Assistance to Provide New Products and Services (Question 7): The *Applicant* may request *FA* to provide new products and services to its *Target Market*. The *Applicant* must provide a narrative explaining why it decided to provide/develop new products and/or services to its *Target Market*, and how the *Applicant* determined that there is a need and demand for its proposed products and services. Your response should address how the *Applicant* can be competitive in its *Target Market*. Provide a narrative in question 4 of the Application.

Financial Assistance to Provide Current Products and Services (Question 8): The *Applicant* may request *FA* to provide a current *Financial Product* and/or *Financial Service* to its existing *Target Market*. The *Applicant* must provide a narrative explaining that it has experienced a high level of demand for this product and/or service, that it does not have sufficient loan and/or equity capital to provide this product to its *Target Market*; and the basis for quantifying the demand for this product(s). Provide a narrative in question 8 of the Application.

Product Design and Implementation Strategy (Questions 9-19)

The *Applicant* is required to provide an overview of its *Financial Products* and/or *Financial Services* so that the Fund can evaluate the context of the proposed activities. The *Applicant* must discuss how its *Financial Products* and/or *Financial Services* address the needs and demands of the *Target Market*. The *Applicant* must elaborate on its *Development Services*, especially as they relate to the *Applicant's* borrowers/clients assessing its *Financial Products* and/or *Financial Services*. The *Applicant* is also asked to provide information on its coordination efforts and delivery strategy. This information will be used to assess the *Applicant's* likelihood of success in carrying out its proposed activities.

Community Development Performance/Impact (Questions 20-28)

Applicant's Track Record (Question 20): The *Applicant* must describe its track record of providing *Financial Products* and/or *Financial Services* to its *Target Market*. If applicable, it should elaborate on its specific activity specifically targeted to *Hot Zones* and/or severely distressed non-Metropolitan (rural) Areas.

Projected Activity and Community Development Impacts (Questions 20-24): The *Applicant* must provide an analysis of how it derived its projected activity and community development impacts identified in the **Activities Level Chart** and **Community Development Impact Charts**, respectively. If the *Applicant* chose an "Other" product and/or impact, it must provide an overview of the product and/or indicator.

Priority points for Hot Zones and severe economic distress and unmet need in non-Metropolitan markets

The Fund will award priority points in the Market Need subsection as follows:

If the <i>Applicant</i> projects that the following percentage of its activities will be in one or more <i>Hot Zones</i> :	If the <i>Applicant</i> projects that the following percentage of its activities will be in severely distressed non-Metropolitan markets:	Then it will receive the following percentage of priority points:
75 percent or more	75 percent or more	100 percent
50 percent to less than 75 percent	50 percent to less than 75 percent	75 percent
25 percent to less than 50 percent	25 percent to less than 50 percent	50 percent
10 percent to less than 25 percent	10 percent to less than 25 percent	25 percent

Minimum Prudent Standards for Deployment (Questions 25-26):

The *Applicant* should refer to the **Financial Data Input Chart** for the *Deployment Ratio* calculation. The following table lists the Deployment MPS ratios by organization type. If the *Applicant* does not meet the MPS, it must provide an explanation.

Non-Regulated Entities	Insured Credit Unions (Includes State <i>Insured Credit Unions</i>)	Insured Depository Institutions (Includes Depository Institution Holding Companies)
Historic and Projected: 3 Year Average	Historic and Projected: 3 Year Average	Historic and Projected: 3 Year Average
Total Gross Loans Receivables and/or Equity Investment Portfolio/Total Financing Capital $\geq 50\%$	Total Loans/Total <i>Shares</i> $\geq 60\%$	Total Loans/Total <i>Deposits</i> $\geq 65\%$

Demonstrating Need (Question 27): *Applicants* must provide a narrative demonstrating a need for *Financial Assistance* from the CDFI Fund. When determining need, the *Applicant* should relate its projected financing and *Development Services* activity to its total capital available for financing; *Loan Loss Reserves*; resources for *Development Services*; operational support; and/or capital reserves.

Prior Awardees (Question 28): *Applicants* that have previously received *Financial Assistance* from the CDFI Fund must demonstrate (1) significant increases in activity and impact levels compared to previous awards; (2) *Target Market* expansion; and/or (3) provision of new products and services than those previously funded.

Management and Underwriting Section

Purpose: The Management and Underwriting section evaluates the *Applicant* on its underwriting and portfolio quality; its risk mitigation strategies and financial management; and the capacity, skills, and experience of the Applicant's management team as appropriate to deliver the proposed products and services and manage compliance with the Fund's reporting requirements.

Questions for the Management and Underwriting Section

- o Questions 29-44

Charts for the Management and Underwriting Section (varies by organization and product type)

- o Loan Portfolio Quality Chart: Affordable Housing-First Lien
- o Loan Portfolio Quality Chart: Affordable Housing-Subordinate Lien
- o Loan Portfolio Quality Chart: Business
- o Loan Portfolio Quality Chart: Microenterprise and Consumer
- o Loan Portfolio Quality Chart: Insured Credit Union
- o Loan Portfolio Quality Chart: Insured Depository Institutions
- o Equity Investment Portfolio Valuation Chart
- o Management Chart

Attachments for the Management and Underwriting Section

- o Organization Chart
- o List of *Governing Board* members and any working committees
- o Resumes of key staff persons, and members of the *Governing Board's* executive committee, loan/investment committee, and audit committee.

Note: *Applicants*, particularly Category I/SECA, that have shortcomings in one or more elements in the Management and Underwriting section may consider requesting TA to enhance its' organizational capacity. Such *Applicants* should discuss the requested TA, and how it will be used to address weaknesses in the applicable narrative(s) sections.

Example: An *Applicant* that has significant loan losses in the first two years of operation may wish to request staff training on collections. Such training would be discussed in question #24 in regard to how it will enhance portfolio quality in the future.

Portfolio Quality (Questions 29-30)

Non-Regulated Applicants are required to complete a Loan Portfolio Quality Chart (LPQC) for each type of lending activity for which it engaged in the last three completed fiscal years and/or an Equity Investment Portfolio Valuation Chart. If the *Applicant* has been engaged in any activity for less than three years, provide the date for which the *Applicant* began offering the product. The LPQC that correspond to the types of lending or investing activities include:

- *Affordable Housing: First Lien*
- *Affordable Housing: Subordinate Lien*
- *Business: includes Commercial Real Estate and Community Facilities*
- *Consumer and Microenterprise*

If the *Applicant* selected an “Other” loan product, complete the **Loan Portfolio Quality Chart** that best describes the *Applicant's* activities. If the *Applicant* selected an “Other” product that is not a loan, include the *Applicant's* internal portfolio reports used by management. You may find it useful to gather information before you begin.

Insured Credit Unions: Must complete the **LPOC for Insured Credit Unions** or submit its Financial Performance Ratios (FPR) and 5300 Call Reports prepared by the National Credit Union Administration (NCUA), or if the *Insured Credit Union* is state-chartered, the comparable reports prepared by its appropriate state regulator. The reports must be for the last three completed fiscal years (the same time period covered by the **LPOC**).

Insured Depository Institutions: Must complete the **LPOC for Insured Depository Institutions** or submit its Uniform Bank Performance Report (UBPR) prepared by the *Applicant's* Appropriate Federal Banking Agency for the last three completed fiscal years (same time period covered by the **LPOC**). A *Depository Institution Holding Company* must submit the UBPR for all its subsidiary banks or thrifts that will undertake the activities identified in the *Comprehensive Business Plan*.

Equity Investments

Applicants that engage in the provision of *Equity Investments* in the last three completed fiscal years must complete the **Equity Investment Portfolio Valuation Chart**. The *Applicant* must provide a narrative of its *Equity Investment* portfolio for question 26 in the Application.

Equity-like Loans must be included in the **Loan Portfolio Quality Chart** for the appropriate product type.

Minimum Prudent Standards

Minimum Prudent Standards (MPS) are indicators, based on organization type, used by the CDFI Fund to evaluate the portfolio quality of CDFIs applying for *Financial Assistance* that make loans. *Equity Investment* portfolios are evaluated based on the information provided in the **Equity Investment Portfolio Valuation Chart** and the related narrative questions. To determine the portfolio health of the *Applicant*, three portfolio quality indicators will be used to examine non-regulated and regulated *Applicants*. The following table lists the portfolio quality MPS ratios by organization type.

Loan Portfolio Quality *Minimum Prudent Standards* (MPS)

Minimum Prudent Standard (MPS)	Non-Regulated Entities				Insured Credit Unions	Insured Depository Institutions
	AH-First Lien	AH-Subordinate Lien	Business	Consumer & Micro-enterprise		
Portfolio-at-Risk (PAR)	$\leq 7.00\%$	$\leq 7.00\%$	$\leq 10.00\%$	$\leq 12.00\%$	Delinquent Loans/Total Loans $\leq 3.5\%$	Non current Loans & Leases/Total Loans & Leases $\leq 2.0\%$
Annual Net Loan Loss Ratio	$\leq 1\%$	$\leq 3\%$	$\leq 5\%$	$\leq 9\%$	Net Charge offs/Average Loans $\leq 0.75\%$	Net Loss/Avg Total Loans & Leases $\leq 0.5\%$
Loan Loss Reserves (LLR) Or Provision for Losses	.5PAR \leq LLR \leq 1.5PAR	.5PAR \leq LLR \leq 1.5PAR	.5PAR \leq LLR \leq 1.5PAR	.5PAR \leq LLR \leq 1.5PAR	Comparing FY03 and FY04, Applicant's dollar amount of provision for loan losses changed by at least the same percentage and direction as the change in the dollar amount of delinquent loans.	Loans & Leases Allowance/Total Loans & Leases $\geq 0.5\%$ PAR

If the *Applicant* does not meet the MPS for any ratio, it must provide a mitigating explanation for the applicable ratio in the Management and Underwriting section of Application. The question corresponding to MPS is Question 29.

Note: *Applicants* with no existing portfolios (loan or Equity Investment) do not need to complete the **Loan Portfolio Quality Charts**. Instead, such *Applicants* must explain in Question 29 why the charts are not completed.

Management Controls (Questions 31-41)

For this section, *Applicants* are evaluated on policies and procedures relating to portfolio monitoring and underwriting, and financial management; as well as its' Management of Information Systems (MIS). *Applicants* should identify the applicable policies and procedures, and MIS currently in place for the tables within the Portfolio Monitoring and Underwriting, Financial Management, and Management of Information Systems sections. *Applicants* **are not required** to submit policies and procedures; however, the CDFI Fund reserves the right to request such documents during the due diligence process of the application review.

A successful *Applicant* will have in place *Governing Board*-approved policies and procedures (reaffirmed within the last 24 months) that address all key portfolio monitoring, underwriting, and financial management policies and procedures in a manner that allows the *Applicant* to serve its *Target Market*, while remaining financially sound. For example, portfolio reviews should be performed on a periodic basis, which results in modifications to the *Loan Loss Reserve* as needed. If the *Applicant* is requesting *Financial Assistance* for a new product, be sure to discuss whether policies and procedures have been created to govern the product.

To the extent that an *Applicant* does not have sufficient management controls (such as policies and procedures, or MIS), or wishes to enhance such management controls, the *Applicant* may request *TA* for such purposes. The *Applicant* should describe in this section how the *TA* is expected to improve its management controls.

Management Team (Questions 42-44)

For this section, the *Applicant* will be evaluated on its management, staff, and *Governing Board's* skills and experience (i.e., community development finance, community development experience, *Target Market* knowledge, and the like) to effectively implement the components of the *Comprehensive Business Plan*. The *Applicant* must demonstrate that it has sufficient staff to carry out the proposed *Financial Products* and/or *Financial Services*.

A successful *Applicant* will demonstrate that it has sufficient human capital and internal experience, knowledge, and skills to successfully implement the components of the *Comprehensive Business Plan*. The Fund generally looks to see that the organization has specific knowledge and expertise about the products to be delivered, experience in operating a financial institution, strong ties to the *Target Market*, and the capacity to support the operations of the CDFI. These skill sets can be distributed among the staff, *Governing Board*, and other committee of the organization.

Note: It is critical that information provided in this section is sufficiently complete for the Fund to evaluate the capacity of key members of the management team. The Fund will not rely on past knowledge or reputation of an organization to determine management capacity.

Organization Chart: Include an organizational chart(s), **current as of the date of application submission**, showing all positions including *Governing Board*, staff, and, if applicable, volunteers and consultants that are integral to the *Applicant's* operations. Show direct supervisor and subordinate reporting relationships for all positions. The organizational chart must also include any staff shared with or donated by *Affiliates*.

Submit a list of *Governing Board* members and any key committees that are an integral part of the *Applicant's* operations (i.e., loan/investment committee, audit committee). The list of members must include the name, current affiliation and title, tenure with the *Applicant*, and *Governing Board* position and/or committee membership.

Example of Governing Board entry:

Name	Title & Affiliation	Governing Board Position	Current Committee Membership (list all that apply)	Tenure on Board	Relevant Experience to Applicant Activities
Robert Jones	VP-Commercial Lending, Bank of XYZ	Chair	Executive; Audit; Loan	5 years	Loan Investment Underwriting; Community Development Finance

Example of advisory board entry:

Name	Title & Affiliation	Tenure on Advisory Board	Relevant Experience to Applicant Activities	Accountable/representative of Target Market ²
Jane Smith	District Manager, State Housing Authority	2 years	Community Development & Loan/Investment Underwriting	Low Income <i>Targeted Population</i> and <i>Hot Zone</i> Essex County, NJ

Resumes: Submit resumes or biographies of all key staff persons, *Governing Board* members, and other committee members that will be an integral part of implementing the *Comprehensive Business Plan* (such as loan committee members, fundraising committee members). The resume or biography must indicate the current position description of the individual.

If relevant experience of key staff persons, and members of the *Governing Board's* executive committee, loan/investment committee, and members of the audit committee is not clearly evident from the resumes, the *Applicant* has the option of describing the relevant experience in community development, community development finance, loan/investments underwriting, and/or *Target Market* knowledge in Section B of the **Management Chart**. The Fund encourages *Applicants* to identify the experience in Section B of the **Management Chart**; however, it is not a requirement.

Note: *Applicants* are encouraged to elaborate on training received by members of the management team as well as relevant unpaid/volunteer experience with other organizations, if experience in community development, community development finance, and loan/investment underwriting is not clearly evident from resumes.

Management Chart

All *Applicants* are required to complete the **Management Chart**. In the Organizational Summary Section, for the historic and projected fiscal years, indicate the number of employees and *Full Time Equivalents (FTEs)*; number of employees and *FTEs* terminated; total *FTEs* devoted to the provision of *Financial Products*; salaries and benefits (including consulting fees), and the total number of loans closed during each year. Estimates are acceptable. For Section B, identify the *Applicant's* senior management team, *Financial Products FTEs*, and *Governing Board* that are directly responsible for the implementation of the *Comprehensive Business Plan*. For each person, list the name, title, tenure with *Applicant*, percent of time dedicated to *Applicant* (not applicable for *Governing Board* members). It is not required, but highly encouraged, that the *Applicant* discuss relevant experience relating to products for which *Financial Assistance* is requested if the experience is not evident from the resume or biography.

Be sure to include the positions equivalent to: Executive Director/CEO, Chief Financial Officer, Director of Lending, and other key management and staff positions.

A successful *Applicant* will demonstrate that it has sufficient human capital and internal experience, knowledge, and skills to successfully implement the components of the *Comprehensive Business Plan*. For the Management Chart it is imperative that the *Applicant* articulates the skill sets of its staff,

² If the *Governing Board* or advisory board member provides the *Applicant* with input or perspective on its activities serving specific *Target Market(s)*, indicate the *Target Market* the member is representing or to which it is accountable.

management, and *Governing Board* in terms of the products for which *Financial Assistance* is requested. Example: If the *Applicant* is requesting *Financial Assistance* for a new product, home equity loans, but the *Applicant* is a *Microenterprise* lender, it must thoroughly explain which staff persons have experience underwriting home equity loans.

Staff Training: If the *Applicant* is planning to provide staff with training related to the projected activities, discuss any staff training or *Governing Board* development activities that the organization has undertaken or will need to undertake in order to effectively implement the proposed activities. This should be articulated in Question 44.

Financial Health and Viability Section

Purpose: The Financial Health and Viability section evaluates the *Applicant's* historic and projected financial health, by examining capital, deployment, earnings, liquidity (both capital and operating), and self-sufficiency. The financial information provided is used to generate ratios, which will be compared to the CDFI Fund's *Minimum Prudent Standards* (MPS). Applicants are evaluated using criteria appropriate for the Applicant's organization type: non-regulated entities; *Insured Credit Unions*; and *Insured Depository Institutions/Depository Institution Holding Companies*.

This section of the Guidance will assist the Applicant in completing the required charts and narrative. The Applicant should also consult the CDFI Program FY2005 Glossary for specific italicized terms in the charts.

Questions for the Financial Health and Viability Section

- o Questions 45-56

Charts for the Financial Health and Viability Section (varies by organization type)

- o Financial Data Input Chart: *Non-Regulated* CDFIs For-Profits
- o Financial Data Input Chart: *Non-Regulated* CDFIs Non-Profits
- o Financial Data Input Chart: *Insured Depository Institutions* and *Depository Institution Holding Companies*
- o Financial Data Input Chart: *Insured Credit Unions*

Attachments for the Financial Health and Viability Section

- o *Financial Statements* for the three most recently completed fiscal years (or as many years available if the *Applicant* has been in operation for less than three years)

Types of Financial Statements per Organization Type

The Applicant must submit *Financial Statements* for its three most recently completed fiscal years (or as many years as are available if the Applicant has been in operation for less than three years). If the Applicant has been in operation for more than one year, it is strongly recommended that it submit audited *Financial Statements*. An omission of such *Financial Statements* may have a negative impact on the scoring and evaluation of the Financial Health and Viability Section.

- o **Non-Regulated Applicants:** Submit *Financial Statements*, which may be audited or reviewed by an independent Certified Public Accountant (CPA). If audited or CPA reviewed *Financial Statements* are not available, submit internally generated balance sheets (statement of financial position) and income and expense statements (statement of activities), and explain why audited *Financial Statements* are not available in question 45 of the Application.
- o **Applicants with Affiliate(s):** If the *Financial Statements* of the *Applicant* are consolidated with its *Affiliate(s)* and do not include separate schedules of the *Applicant's* financial position and income and expense statements, **submit** a separate set of internally generated *Financial Statements* that clearly distinguish the *Applicant's* financial information from that of its *Affiliate(s)*.
- o **Insured Credit Unions and Insured Depository Institutions:** Submit *Financial Statements* for the last three completed fiscal years that have been reviewed by the

Applicant's Appropriate Federal Banking Agency (e.g., National Credit Union Administration Form 5300, or Uniform Bank Performance Report). **Submit** Financial Performance Ratios (FPR) prepared by the *Applicant's Appropriate Federal Banking Agency* for the last three completed fiscal years.

Minimum Prudent Standards (MPS)

Minimum Prudent Standards (MPS) are indicators, based on organization type, used by the CDFI Fund to evaluate the financial track record and projections for CDFIs applying for *Financial Assistance*. To determine the financial health of the *Applicant*, six financial indicators will be used to examine non-regulated *Applicants*, and four indicators for regulated *Applicants*. The following table lists the historic and projected financial health MPS ratios by organization type.

	Non-Regulated Entities	<i>Insured Credit Unions</i> (Includes State <i>Insured Credit Unions</i>)	<i>Insured Depository Institutions</i> (Includes <i>Depository Institution Holding Companies</i>)
	Historic and Projected: 3 Year Average	Historic and Projected: 3 Year Average	Historic and Projected: 3 Year Average
Capital	Non Profit: <i>Net Assets/Total Assets</i> $\geq 20\%$ For Profit: <i>Shareholders Equity/Total Assets</i> $\geq 20\%$	<i>Net Worth/Total Assets</i> $\geq 6\%$	<i>Tier 1 Leverage Capital</i> $\geq 8\%$
Earnings	<i>Net Income</i> $\geq \$0$	Return on Average Assets $\geq 0.65\%$	Net Operating Income/Average Assets $\geq 0.65\%$
Self-sufficiency	<i>Self-Sufficiency Ratio</i> , Non-Profit: $\geq 40\%$ <i>Self-Sufficiency Ratio</i> , For-Profit: $\geq 70\%$	N/A	N/A
Capital Liquidity	<i>Current Ratio</i> ≥ 1.0	Asset-Liability Management: Investments w/ maturity or re-pricing period of less than 1 yr /Total Investments $\geq 46\%$	Asset Liability Management: <i>Net Non Core Funding Dependence</i> $\leq 21\%$
Operating Liquidity	<i>Operating Liquidity Ratio</i> ≥ 1.0	N/A	N/A

If the *Applicant* does not meet the historic and/or projected MPS for any ratio, it must provide a mitigating explanation for the applicable ratio in the Financial Health and Viability Section of the Application. The questions corresponding to MPS are 47-56.

Financial Data Input Chart

All *Applicants* are required to complete the **Financial Data Input Charts** applicable to its' organization type. There are four distinct **Financial Data Input Charts** for (1) Non-Regulated Non-Profits, (2) Non-Regulated For-Profits, (3) *Insured Credit Unions*, and (4) *Insured Depository Institutions*.

The Financial Data Input Chart has two sections:

1. **Historic Information:** The historic information section of the **Financial Data Input Chart** requires actual financial data from *Financial Statements* (audited or reviewed, if available) for the last three completed fiscal years (or for as many years as the *Applicant* has

been in operation, if less than three years). Make sure the *Applicant's* historic financial data is correctly entered in the **Financial Data Input Chart**.

2. **Projected Information:** The projected information section of the **Financial Data Input Chart** should include financial projections for the next three fiscal years, including the current fiscal year to-date (YTD). The *Applicant* should include receipt of a *Financial Assistance* award and *Matching Funds* (if not already received) in its projected financial performance.

Key Assumptions: The *Applicant* must provide key assumptions underlying the projections for the projected three years (FY 2006-FY 2008), and current year (FY 2005) identified in the **Financial Data Input Chart**. The CDFI Fund will review the financial projections (financial data and assumptions) for achievability and consistency.

Strategies for completing the Financial Data Input Charts: It is strongly recommended that you review and have available a copy of the **Financial Data Input Chart** instructions before completing the chart. It will help you identify the specific information needed for each line item. As noted above, you will need *Financial Statements* and financial projections to complete the charts. Completing this chart will take some time and patience. The chart instructions will help you do so more efficiently.

Key Financial Trends and Ratios Chart

Based on the data used in the **Financial Data Input Chart**, specific performance ratios are automatically calculated for the **Key Financial Trends and Ratios Chart**. The **Key Financial Trends and Ratios Chart** will calculate the *Applicant's* historic and projected *Minimum Prudent Standards* (MPS) for each corresponding ratio. If the *Applicant* does not meet the MPS for one or more of the ratios, it must provide a mitigating explanation in the Financial Health and Viability Section of the application that corresponds to the applicable ratio.

Financial Data Input Chart: Non-Regulated CDFIs For-Profits

Location on Chart	Heading	Data Entry Instruction Tips
a	Total cash and cash equivalents	Enter the amount of cash and cash equivalents from Matching Funds, Financial Assistance Award, and other sources
b	Unrestricted cash and cash equivalents	Enter the amount of unrestricted cash and cash equivalents used to fund operating expenses.
c	Current: Gross Loans Receivables	Enter the amount of loan principal expected to be repaid within 12 months. Do not include the adjustment for the Loan Loss Reserve.
d	Total Commitments	Enter dollar value of loans and/or equity investments commitments made to a borrower or investee that have not yet been disbursed, but for which cash, cash equivalents, or other assets are earmarked to fund at a later date.
e	Total Current Assets	Enter non-cash assets that can be converted to cash within the next 12 months.
f	Noncurrent: Gross Loans Receivables	Enter the amount of loan principal expected to be repaid in more than 12 months. Do not include the adjustment for the Loan Loss Reserve. Your loan software should be able to calculate this. If not, use amortization schedules to sum all expected principal payments for the applicable 12-month period.
g	Less: Loan Loss Reserve	Enter funds set aside in the form of cash or accrual reserves that serve as a cushion to protect the Applicant against future losses.
h	Total Outstanding Equity Investment Portfolio	Enter amount of Equity Investments made at cost.
i	Less: Net Unrealized Loss	Enter the amount of unrealized losses on the Total Outstanding Equity Investment Portfolio.
j	Total Gross Loan Receivables and/or Equity Investment Portfolio	Enter the sum of Total Current and Noncurrent Gross Loans Receivables and Outstanding Equity Investment Portfolio.
k	Total Assets	Enter the amount of Total Assets
l	Total Current Liabilities	Enter the amount of liabilities that are due to be paid within the next 12 months.
m	Total Notes Payable	Enter the total amount of debt due
n	Total Adjusted Notes Payable	Enter the amount of debt that is used to support lending and/or equity investments.
o	Total Off-Balance Sheet Resources	Enter the amount of lines of credit or other financial resources committed by a third party funder that are available to the Applicant but are not reflected on its Balance Sheet.
p	Total Liabilities	Enter total liabilities
q	Total Shareholder's Equity Available for Financing	Enter portion of Shareholder's Equity restricted or available for lending and/or equity investment activities.
r	Total Shareholder's Equity	Enter the ownership interest possessed by shareholders in the corporation. This equals total assets minus total liabilities.
s	Interest Payments from Financial Products	Enter interest earned on outstanding loans, Equity Investments and/or other Financial Products. This can be found on the Income and

		<i>Expense Statement.</i>
t	Fee Income from Financial Products and Financial Services	Enter fees charged for originating and servicing loans (including late fees), and program fees associated with <i>Development Services</i> , and other fees from <i>Financial Products</i> and <i>Financial Services</i> . This can be found on the <i>Income and Expense Statement</i> .
u	Total Earned Income	Enter interest income, loan fees and other program income, excluding all grants and contributions. This can be found on the <i>Income and Expense Statement</i> .
v	Total Grants and Contributions	Enter the total projected amount of grants and contributions, including Financial Assistance request and Matching Funds. This can be found on the <i>Income and Expense Statement</i> .
w	Total Income	Enter amount of total income. This can be found on the <i>Income and Expense Statement</i> .
x	Total pre-tax Expenses	Enter total operating and non-operating expenses; excludes taxes. This can be found on the <i>Income and Expense Statement</i> .

Key Financial Trends and Ratios Chart: For-Profits

Location on Chart	Ratio	Formula	MPS: (Historic and Projected)
y	Net Shareholder's Equity Ratio	Total Shareholder's Equity divided Total Assets	≥ 20%
z	Total Financing Capital	Total Adjusted Notes payable plus Total Shareholder's Equity Available for Financing	NA
aa	Deployment Ratio	Total Gross loans Receivables and/or Equity Investment Portfolio plus Total Commitments divided by Total Financing Capital	≥ 50%
bb	Net Income	Total Income minus Total pre-tax Expenses	≥ \$0
cc	Self Sufficiency Ratio	Total Earned Income divided by Total pre-tax Expenses	≥ 70%
dd	Operating Liquidity Ratio	Unrestricted cash and cash equivalents divided by the product of Total pre-tax Expenses times .25	≥ 1.0
ee	Current Ratio	Total Current Assets divided by Current Liabilities	≥ 1.0

Financial Data Input Chart: Non-Regulated CDFIs Non-Profits

Location on Chart	Heading	Data Entry Instruction Tips
a	Total cash and cash equivalents	Enter the amount of cash and cash equivalents from <i>Matching Funds</i> , <i>Financial Assistance Award</i> , and other sources.
b	Unrestricted cash and cash equivalents	Enter the amount of unrestricted cash and cash equivalents used to fund operating expenses.
c	Current: Gross Loans Receivables	Enter the amount of loans that that are expected to be due within 12 months. Does not include the adjustment for the Loan Loss Reserve.
d	Total Commitments	Enter dollar value of loans and/or equity investments commitments made to a borrower or investee that have not yet been disbursed, but for which cash, cash equivalents, or other assets are earmarked to fund at a later date.
e	Total Current Assets	Enter non-cash assets that can be converted to cash within the next 12 months. Do not include loans.
f	Noncurrent: Gross Loans Receivables	Enter the amount of loans that that are expected to be due in more than 12 months. Does not include the adjustment for the Loan Loss Reserve.
g	Less: Loan Loss Reserve	Enter funds set aside in the form of cash or accrual reserves that serve as a cushion to protect the Applicant against future losses.
h	Total Outstanding Equity Investment Portfolio	Enter amount of Equity Investments made at cost.
i	Less: Net Unrealized Loss	Enter the amount of unrealized losses on the Total Outstanding Equity Investment Portfolio.
j	Total Gross Loan Receivables and/or Equity Investment Portfolio	Enter the sum of Total Current and Noncurrent Gross Loans Receivables and Outstanding Equity Investment Portfolio.
k	Total Assets	Enter the amount of Total Assets
l	Total Current Liabilities	Enter the amount of liabilities that are due to be paid within the next 12 months.
m	Total Notes Payable	Enter the total amount of debt due
n	Total Adjusted Notes Payable	Enter the amount of debt that is used to support lending and/or equity investments.
o	Total Off-Balance Sheet Resources	Enter the amount of lines of credit or other financial resources committed by a third party funder that are available to the <i>Applicant</i> but not reflect on the <i>Balance Sheet</i> .
p	Total Liabilities	Enter total liabilities
q	Total Net Assets for Financing	Enter portion of Net Assets restricted or available for lending and/or equity investment activities.
r	Total Net Assets	Enter total Net Assets (total assets minus total liabilities).
s	Interest Payments from Financial Products	Enter interest earned on outstanding loans, <i>Equity Investments</i> , and/or other <i>Financial Products</i> . This can be found on the <i>Income and Expense Statement</i> .
t	Fee Income from Financial	Enter fees charged for originating and servicing

	Products and Financial Services	loans (including late fees), and program fees associated with <i>Development Services</i> , and other fees from <i>Financial Products</i> and <i>Financial Services</i> . This can be found on the <i>Income and Expense Statement</i> .
u	Total Earned Income	Enter interest income, loan fees and other program income, excluding all grants and contributions. This can be found on the <i>Income and Expense Statement</i> .
v	Total Grants and Contributions	Enter the total projected amount of grants and contributions, including <i>Financial Assistance</i> request and <i>Matching Funds</i> . This can be found on the <i>Income and Expense Statement</i> .
w	Total Income	Enter amount of total income. This can be found on the <i>Income and Expense Statement</i> .
x	Total pre-tax Expenses	Enter total operating and non-operating expenses; excludes taxes. This can be found on the <i>Income and Expense Statement</i> .

Key Financial Trends and Ratios Chart: Non-Profits

Location on Chart	Ratio	Formula	MPS: (Historic and Projected)
y	Net Asset Ratio	Total <i>Net Assets</i> divided by <i>Total Assets</i>	≥ 20%
z	Total Financing Capital	Total Adjusted Notes payable plus Total <i>Net Assets Available for Financing</i>	NA
aa	Deployment Ratio	Total Gross loans Receivables and/or Equity Investment Portfolio plus Total Commitments divided by Total Financing Capital	≥ 50%
bb	Net Income	Total Earned Income plus Total Grants and Contributions minus Total pre-tax Expenses	≥ \$0
cc	Self Sufficiency Ratio	Total Earned Income divided by Total pre-tax Expenses	≥ 40%
dd	Operating Liquidity Ratio	Unrestricted cash and cash equivalents divided by the product of Total pre-tax Expenses times .25	≥ 1.0
ee	Current Ratio	Total <i>Current Assets</i> divided by <i>Current Liabilities</i>	≥ 1.0

Financial Data Input Chart: *Insured Credit Unions*

Location on Chart	Heading	Location of the 5300 Call Report
a	Cash on Hand	ASSETS: Line 1
b	Cash on Deposit	ASSETS: Line 2c
c	<i>Cash Equivalents</i>	Assets: Line 3
d	Investments w/ Maturity or Repricing Period of Less than 1 year	SCHEDULE C-- INVESTMENTS, CASH ON DEPOSIT AND CASH EQUIVALENTS: Column A, Line 12
e	Total Investments	ASSETS: Line 12
f	Total Loans and Leases	ASSETS: Line 22
g	Less: Allowance for Loan & Lease Losses	ASSETS: Line 23
h	Total Assets	ASSETS: Line 29
i	Total Borrowings	LIABILITIES: Line 1
j	<i>Accrued Dividends and Interest Payable on Shares and Deposits</i>	LIABILITIES: Line 2
k	Accounts Payable and Other Liabilities	LIABILITIES: Line 3
l	Total Liabilities	LIABILITIES: sum of Lines 1-3
m	Total Share Drafts/Regular Shares	SHARES/DEPOSITS: sum of Lines 4-5 (Amount)
n	All Other Shares and Deposits	SHARES/DEPOSITS: Line 6 (Amount)
o	Total Shares and Deposits	SHARES/DEPOSITS: Line 7 (Amount)
p	Undivided Earnings	EQUITY: Line 8
q	Regular Reserves	EQUITY: Line 9
r	<i>Appropriation for Non-Conforming Investments</i>	EQUITY: Line 10
s	<i>Other Reserves</i>	EQUITY: Line 11
t	Uninsured Secondary Capital	PCA NET WORTH CALCULATION WORKSHEET: Line 5
u	Net Income (unless this amount is already included in Undivided Earnings)	EQUITY: Line 16
v	Total Net Worth	PCA NET WORTH CALCULATION WORKSHEET: Line 7
w	Total Interest Income	INCOME AND EXPENSE: Line 5
x	Total Interest Expenses	INCOME AND EXPENSE: Line 9
y	Provision for Loan and Lease Losses	INCOME AND EXPENSE: Line 10
z	Total Non-Interest Income	INCOME AND EXPENSE: Line 17
aa	Total Non-Interest Expense	INCOME AND EXPENSE: Line 28
bb	Net Income (Loss)	INCOME AND EXPENSE: Line 29

Key Financial Trends and Ratios Chart: Insured Credit Unions

Location on Chart	Ratio	Formula	MPS: (Historic and Projected)
cc	Net Worth Ratio	Total <i>Net Worth</i> divided by <i>Total Assets</i>	$\geq 6\%$
dd	Deployment Ratio	Total Loans and Leases divided by Total Shares and Deposits	$\geq 60\%$
ee	Earnings (Return on Average Assets)	Net Income divided by average Total Assets	$\geq .65\%$
ff	Asset Liability Management	Investments with Maturity or Repricing Period of Less than one year divided by the sum of Cash on Deposit, Cash Equivalents, and Total Investments	$\geq 46\%$

Financial Data Input Chart: *Insured Depository Institutions*

Location on Chart	Heading	Data Entry Instruction Tips from UBPR
a	Cash and balances due from depository institutions	Enter amount of cash and balances due from depository institutions
b	Short-term investments	Enter sum of interest-bearing bank balances, Federal funds sold and securities purchased under agreements to resell, debt securities with a remaining maturity of one year or less, and acceptances of other banks (loans) and commercial paper (loans)
c	Total Investments	Enter sum of all securities, interest-bearing bank balances, federal funds sold, and trading accounts assets.
d	Loans and Leases, net of unearned income	Enter amount of portfolio loans outstanding
e	Less: Allowance for Loan and Leases Losses	Enter amount estimated by management for existing probable losses in the loan portfolio
f	Average Assets, year-to-date	Enter amount of average assets, which is the average amount of assets for all four quarters.
g	Long Term Assets	Enter sum of net loans and leases (minus acceptances of other banks and commercial paper), held to maturity securities, and available for sale securities minus debt securities with a remaining maturity of one year or less plus other real estate owned.
h	Total Assets	Enter total assets
i	Interest-bearing deposits	Enter total interest-bearing deposits
j	Total Deposits	Enter amount of all deposit accounts
k	Total Notes Payable	Enter total amount of liabilities for borrowed funds
l	Non-Core Liabilities	Enter sum of total time deposits of \$100M or more, other borrowed money (all maturities), foreign office deposits, securities sold under agreements to repurchase and federal funds purchased, insured brokered deposits issued in denominations of less than \$100,000, and demand notes issued to the U.S. Treasury.
m	Other Liabilities	Enter amount of other liabilities (not included above), which includes such items as taxes payable, accrued expenses, and deferred income.
n	Total Liabilities	Enter total liabilities
o	Perpetual preferred stock	Enter total perpetual preferred stock
p	Common Stock	Enter total common stock
q	Surplus	Enter total surplus
r	Undivided Profits	Enter total undivided profits
s	Tier 1 Capital	Enter total Tier 1 Capital
t	Tier 2 Capital	Enter total Tier 2 Capital

u	Total Equity Capital	Enter total <i>Equity Capital</i>
v	Total Interest Income	Enter total interest income from loans and/or Equity Investments.
w	Total Interest Expenses	Enter total interest expense
x	Provision for Loan and Lease Losses	Enter provision for loan and lease losses
y	Total Non-Interest Income	Enter income derived from bank services and sources other than interest-bearing assets
z	Total Non-Interest Expense	Enter salaries and employee benefits, expenses of premises and fixed assets, and other non-interest expenses
aa	Income (loss) before income taxes and extraordinary items and other adjustments	Enter total income before taxes
bb	Net Income (loss)	Enter net income

Key Financial Trends and Ratios Chart: Insured Depository Institutions

Location on Chart	Ratio	Formula	MPS: (Historic and Projected)
cc	Tier 1 Leverage Capital Ratio	Total <i>Tier 1 Capital</i> divided by <i>Total Assets</i>	$\geq 8\%$
dd	Deployment Ratio	Total Loans divided by Total Deposits	$\geq 60\%$
ee	Earnings (Return on Average Assets)	Pre-Tax Net Operating Income divided by Average Assets	$\geq 65\%$
ff	Asset Liability Management	Non-Core Liabilities minus Short - Term Investments divided by Average Assets	$\geq 21\%$